



A Partnership for Success: Millennium Challenge Corporation and Africa

Summaries of MCC African Compacts



Benin



Compact Goal: The Benin Compact, totaling approximately \$307 million, removes key constraints to economic growth and supports improvements in physical and institutional infrastructures in four critical sectors in order to increase investment and private sector activity in Benin. The Compact encompasses four projects: Access to Land, Access to Financial Services, Access to Justice, and Access to Markets.

Expected Results: The Program is expected to impact an estimated 5 million beneficiaries and lift 250,000 Beninese from poverty by the year 2015.

Cape Verde



Compact Goal: The Compact, totaling \$110 million, supports Cape Verde in achieving its overall national development goal of transforming its economy from aid-dependency to sustainable, private-sector led growth. MCC funds are improving the country's investment climate and reforming the financial sector; improving infrastructure to support increased economic activity and provide access to markets, employment, and social services; increasing agricultural productivity and raising the income of the rural population as well as carrying out key policy reforms needed for sustained economic growth.

Expected Results: At the completion of the Compact, the program is expected to increase Cape Verde's annual income by at least \$10 million.

Fast Facts on MCC's involvement with Africa

1. MCC is currently working with 40 countries. Of these, 19 are in Africa.
2. Of the 11 Compacts signed to date with MCC, 5 are with African countries: Benin, Cape Verde, Ghana, Madagascar, and Mali. These total over \$1.5 billion or about half of the total value of all MCC Compacts signed to date.
3. Of the 13 Threshold agreements MCC has signed, 6 are with African countries: Burkina Faso, Kenya, Malawi, Tanzania, Uganda, and Zambia. Two more African countries, Niger and Rwanda, were selected as Threshold-eligible by the MCC board in November 2006.
4. The next three Compacts MCC is expecting to sign are with African countries.

Ghana



Compact Goal: The Ghana Compact, totaling \$547 million, reduces poverty through private sector-led agribusiness development. Interventions aim to reduce poverty by increasing farmer incomes and export earnings. Specifically, these investments are designed to increase the production and productivity of high-value cash and food staple crops in some of Ghana's poorest regions and to enhance the competitiveness of Ghana's agri-cultural products in regional and international markets.

Expected Results: The overall economic rate of return of the Compact is estimated at 20 percent. The program is anticipated to help directly alleviate the poverty of over 230,000 Ghanaians and to enhance the livelihood and welfare of one million Ghanaians in total.

Madagascar



Compact Goal: The Madagascar Compact, totaling \$110 million, supports a program designed to raise incomes by bringing the rural population from subsistence agriculture to a market economy. The program includes three projects that will work together to help rural Malagasy secure formal property rights to land, access credit and protect savings, and receive training in agricultural production, management and marketing techniques. This integrated three-pronged approach will provide the rural population with the necessary conditions to use the land productively, to build profitable businesses and help ensure environmental sustainability.

Expected Results: The program aims to secure property rights to approximately 250,000 hectares of land. This will benefit about 62,000 households, increase lending in the target areas by about \$30 million, and significantly increase the number of rural producers that adopt new technologies or engage in higher value production.

Mali



Compact Goal: MCC's investments, totaling \$461 million, support the development of key infrastructure and policy reform for productive sectors by addressing Mali's constraints to growth and capital-izing on two of the country's major assets, the Bamako-Sénou Airport, gateway for regional and international trade, and the Niger River Delta, for irrigated agriculture. The Program will increase production and productivity of agriculture and small- and medium-sized enterprises as well as expand Mali's access to markets and trade. The Program objectives will be met through investments aimed to increase farmers' incomes, enhance agricultural supply chains, reduce transport costs and create a platform for industrial production.

Expected Results: Through this program, MCC and the Government of Mali will help tens of thousands of Malians improve their standard of living. More than 40,000 Malian farmers and laborers as well as 100,000 school-aged children and their family members will have greater access to education, health services and markets. More than 50,000 workers will have formal employment because of improved opportunities in manufacturing and trade.

Millennium Challenge Threshold Program Agreements in Africa

Burkina Faso



Burkina Faso's \$12.9 million Threshold Program is a pilot program that seeks to improve performance on girls' primary education completion rates. Specific interventions include: the construction of 'girl-friendly' schools, teacher training, providing take-home dry rations to girls who maintain a 90% school attendance rate, and providing literacy training for mothers.

Kenya



Kenya's \$12.7 million Threshold Program aims to reduce opportunities for corruption in public governance. Specifically, the Threshold Program will target corruption in public procurement, the delivery of health care, and the monitoring and evaluation of reforms.

Malawi



Malawi is implementing fifteen specific interventions over the two-year period of its \$20.9 million Threshold Program aimed at preventing corruption, enhancing oversight functions, and building enforcement and deterrence capacity. The interventions intend to create more effective legislative and judicial branches of government, provide support for lead anti-corruption agencies, strengthen independent media coverage, and expand and intensify the work of civil society organizations.

Tanzania



The \$11.1 million Tanzania Threshold Program is focused on four specific anti-corruption initiatives that include: building the nongovernmental sectors monitoring capacity; strengthening the rule of law for good governance; establishing a Financial Intelligence Unit; and curbing corruption in public procurement.

Uganda



In Uganda, the \$10.4 million Threshold Program aims to reduce corruption by improving public procurement and financial management practices, strengthening the role of civil society, and building capacity to facilitate more effective follow-up of reported malpractices.

Zambia



The \$24.3 million Zambia Threshold Program focuses on reducing corruption and improving government effectiveness. The Program is funding three components aimed at increasing control of corruption within the public sector, improving public service delivery to the private sector and strengthening border management of trade.